

Mr. GORE. Mr. President, I ask that the result be announced.

The result was announced—yeas 43, nays 38, as follows:

YEAS—43

Adams	Dickinson	McAdoo	Schall
Austin	Donahay	McCarran	Shipstead
Bachman	Frazier	McGill	Smith
Barbour	Gibson	McKellar	Steiwer
Bulow	Glass	Metcalf	Thomas, Okla.
Byrd	Gore	Murphy	Townsend
Capper	Hale	Murray	Trammell
Caraway	Harrison	Norbeck	Tydings
Carey	Hastings	Nye	Vandenberg
Clark	Keyes	Overton	Van Nuys
Couzens	Long	Russell	

NAYS—38

Bailey	Connally	Hayden	Pope
Bankhead	Coolidge	King	Radcliffe
Barkley	Copeland	La Follette	Reynolds
Black	Costigan	Lonerger	Schwellenbach
Bone	Dieterich	Maloney	Sheppard
Brown	Duffy	Minton	Thomas, Utah
Bulkley	Fletcher	Moore	Wagner
Burke	George	Norris	Walsh
Byrnes	Guffey	O'Mahoney	
Chavez	Hatch	Pittman	

NOT VOTING—14

Ashurst	Gerry	McNary	Wheeler
Bilbo	Johnson	Neely	White
Borah	Lewis	Robinson	
Davis	Logan	Truman	

So Mr. GORE's amendment to the motion of Mr. HARRISON to concur in the amendment of the House with an amendment was agreed to, as follows:

Sec. —. (a) Hereafter any person who shall receive under this or any other act of Congress a salary or other compensation at the rate of \$4,000 or more per annum shall be appointed by the President with and with the advice and consent of the Senate.

(b) No such person appointed during the recess of Congress shall serve or be paid for a longer period than 60 days after the convening of the next succeeding session of Congress unless appointed and confirmed as provided above, and no such person appointed while Congress is in session shall serve or be paid for a period of more than 60 days nor beyond the adjournment of Congress unless so appointed and confirmed.

(c) No such person appointed under the provisions of this act or the provisions of Public, No. 10, Seventy-third Congress, as amended (Agricultural Adjustment Act), and under the provisions of Public, No. 67, as amended, of the Seventy-third Congress (National Industrial Recovery Act), or paid out of any appropriation made in pursuance of this or any such act or acts shall serve for a period of more than 1 year from the date of his confirmation by the Senate unless reappointed and confirmed as herein provided; and any such person appointed and confirmed hereunder who shall serve or be paid under the provisions of any other act or acts not herein specified shall serve until the end of the administration of the President by whom such person was appointed.

(d) The President shall by Executive order fix the rate of compensation which any such person so appointed and confirmed shall receive and be paid and shall prescribe the official title or designation by which such person shall be known.

(e) Section 1761, Revised Statutes, is hereby reenacted insofar as consistent with the provisions of this section.

Mr. HARRISON. Mr. President, I serve notice that I shall enter a motion to reconsider the vote which has just been taken.

Mr. GORE. Mr. President, is it in order to move to lay that motion on the table?

The PRESIDING OFFICER. The motion has not as yet been entered.

Mr. HARRISON. I have not as yet made the motion.

Mr. LONG. Mr. President, I now move to reconsider the vote by which the amendment was agreed to.

The PRESIDING OFFICER. The question is on the motion of the Senator from Louisiana to reconsider the vote by which the amendment was adopted.

Mr. GORE. I move to lay on the table the motion of the Senator from Louisiana.

RECESS

Mr. BARKLEY. I move that the Senate take a recess.

Mr. TYDINGS. Mr. President—

The PRESIDING OFFICER. A motion has been made to lay on the table the motion to reconsider. That motion is not debatable.

Mr. BARKLEY. I am not debating it. I have a right to move that the Senate recess until tomorrow.

The PRESIDING OFFICER. That motion is in order.

Mr. BARKLEY. I make that motion.

The PRESIDING OFFICER. The Senator from Kentucky moves that the Senate take a recess until what hour?

Mr. TYDINGS. I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from Kentucky did not state the hour to which he wishes the recess to be taken.

Mr. BARKLEY. Twelve o'clock noon tomorrow.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kentucky that the Senate take a recess until 12 o'clock noon tomorrow. On that motion the yeas and nays are demanded.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. McNARY (when his name was called). Repeating the announcement of my pair, I withhold my vote. If permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. LONG (after having voted in the negative). Mr. President, may I be allowed to change my vote at this time? If Senators want to filibuster, I desire to help them.

The VICE PRESIDENT. The Senator may change his vote at any time before the result is announced.

Mr. LONG. I change my vote from "nay" to "yea."

Mr. BARKLEY. I desire to announce that the following Senators are unavoidably detained from the Senate: The Senator from Mississippi [Mr. Bilbo], the Senator from Kentucky [Mr. Logan], the Senator from Massachusetts [Mr. Coolidge], the Senator from Arkansas [Mr. Robinson], the Senator from Missouri [Mr. Truman], the Senator from Illinois [Mr. Lewis], the Senator from Georgia [Mr. George], and the Senator from Montana [Mr. Wheeler].

Mr. AUSTIN. The Senator from Pennsylvania [Mr. Davis] has a general pair with the Senator from Kentucky [Mr. Logan].

The result was announced—yeas 47, nays 37, as follows:

YEAS—47

Bailey	Copeland	Long	Radcliffe
Bankhead	Costigan	McGill	Reynolds
Barkley	Dieterich	Maloney	Russell
Black	Duffy	Minton	Schwellenbach
Bone	Fletcher	Moore	Sheppard
Brown	Guffey	Murray	Shipstead
Bulow	Harrison	Neely	Thomas, Utah
Burke	Hatch	Norris	Trammell
Byrnes	Hayden	O'Mahoney	Van Nuys
Chavez	King	Pittman	Wagner
Clark	La Follette	Pope	Walsh
Connally	Lonerger		

NAYS—37

Adams	Carey	Hastings	Smith
Ashurst	Couzens	Keyes	Steiwer
Austin	Dickinson	McAdoo	Thomas, Okla.
Bachman	Donahay	McCarran	Townsend
Barbour	Frazier	McKellar	Tydings
Borah	Gerry	Metcalf	Vandenberg
Bulkley	Gibson	Norbeck	White
Byrd	Glass	Nye	
Capper	Gore	Overton	
Caraway	Hale	Schall	

NOT VOTING—11

Bilbo	George	Logan	Truman
Coolidge	Johnson	McNary	Wheeler
Davis	Lewis	Robinson	

So the motion was agreed to; and (at 4 o'clock and 47 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, June 12, 1935, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 11, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James S. Montgomery, D. D., offered the following prayer:

Eternal God, we rejoice that we have a Heavenly Father upon earth who will not break the bruised reed; upon whom we can cast our cares and who has infinite compassion toward His erring, sinning children. Vouchsafe to be with the Congress; direct all procedure of government; be our

guest and benefactor. Mercifully enfold us, that we may develop those moral qualities which are so essential to the best type of manly character. Break down all prejudice; help us to guard jealously our language; cleanse us from all secret faults. Graciously bless our homes, make them rich by every possible association that contributes to happiness, refinement, and Christian culture. In the holy name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H. R. 67. An act to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels;

H. R. 2204. An act for the relief of Robert M. Kenton;

H. R. 2422. An act for the relief of James O. Greene and Mrs. Hollis S. Hogan;

H. R. 2466. An act for the relief of John E. Click;

H. R. 2553. An act for the relief of Eva S. Brown;

H. R. 2683. An act for the relief of Henry Harrison Griffith;

H. R. 4448. An act to provide funds for acquisition of a site, erection of buildings, and the furnishing thereof for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland;

H. R. 4798. An act to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army;

H. R. 5456. An act relating to the powers and duties of United States marshals;

H. R. 5564. An act for the relief of Capt. Russell Willson, United States Navy;

H. R. 5720. An act to amend the National Defense Act of June 3, 1916, as amended;

H. R. 6371. An act to authorize an increase in the annual appropriation for books for the adult blind;

H. R. 6437. An act to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain land in the county of Los Angeles, State of California";

H. R. 6987. An act authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 7 meets Texas Highway No. 87;

H. R. 7081. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.;

H. R. 7781. An act to define the election procedure under the act of June 18, 1934, and for other purposes;

H. J. Res. 26. Joint resolution requesting the President to proclaim October 9 as Leif Erikson Day;

H. J. Res. 27. Joint resolution providing for extension of cooperative work of the Geological Survey to Puerto Rico;

H. J. Res. 204. Joint resolution authorizing the erection of a memorial to the late Jean Jules Jusserand; and

H. J. Res. 285. Joint resolution to permit the temporary entry into the United States under certain conditions of alien participants and officials of the National Boy Scout Jamboree to be held in the United States in 1935.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 2739. An act to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes;

H. R. 2756. An act authorizing the Tlingit and Haida Indians of Alaska to bring suit in the United States Court of Claims, and conferring jurisdiction upon said court to hear,

examine, adjudicate, and enter judgment upon any and all claims which said Indians may have, or claim to have, against the United States, and for other purposes;

H. R. 3512. An act for the relief of H. B. Arnold;

H. R. 6323. An act to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof;

H. R. 6836. An act to provide for the printing and distribution of Government publications to the National Archives;

H. R. 7160. An act to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges; and

H. R. 7982. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 144. An act for the relief of Auston L. Tierney;

S. 203. An act to provide for a preliminary examination of the Connecticut River, with a view to the control of its floods and prevention of erosion of its banks in the State of Connecticut, and for other purposes;

S. 540. An act for the relief of Fred Luscher;

S. 556. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

S. 1116. An act authorizing the establishment of a filing and indexing service for useful Government publications;

S. 1146. An act for the relief of Michael Dalton;

S. 1179. An act for the relief of James H. Smith;

S. 1186. An act for the relief of Frank P. Ross;

S. 1409. An act for the relief of the General Baking Co.;

S. 1448. An act for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918;

S. 1453. An act to create a Board of Shorthand Reporting, and for other purposes;

S. 1490. An act for the relief of Earl A. Ross;

S. 1613. An act for the relief of Andrew J. McCallen;

S. 1730. An act for the relief of the Richmond, Fredericksburg & Potomac Railroad Co.;

S. 1865. An act for the relief of W. S. O'Brien;

S. 1893. An act to restore to the public domain portions of the Jordan Narrows (Utah) Military Reservation;

S. 1968. An act authorizing an appropriation for payment to certain bands of Ute Indians in the State of Utah for certain coal lands, and for other purposes;

S. 2001. An act to amend section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved May 16, 1906;

S. 2010. An act to improve the living accommodations on vessels under 100 tons;

S. 2074. An act to create a National Park Trust Fund Board, and for other purposes;

S. 2169. An act for the relief of certain disbursing officers of the Army of the United States;

S. 2206. An act for the relief of the State of New Mexico;

S. 2278. An act authorizing the construction of buildings for the United States representatives in the Philippine Islands;

S. 2286. An act providing for the allocation of net revenues of the Shoshone power plant of the Shoshone reclamation project in Wyoming;

S. 2388. An act authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge;

S. 2406. An act for the relief of Nancy Jordan;

S. 2421. An act to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped or otherwise unlawfully detained, and making such act a felony", as amended;

S. 2508. An act to authorize the naturalization of certain resident alien World War veterans;

S. 2521. An act amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy;

S. 2545. An act to provide funds for acquisition of the property of the Haskell Students Activities Association on behalf of the Indian school known as "Haskell Institute", Lawrence, Kans.;

S. 2556. An act to amend and supplement the steering rules respecting orders to helmsmen on all vessels navigating waters of the United States, and on all vessels of the United States navigating any waters or seas, in section 1 of the act of August 19, 1890, section 1 of the act of June 7, 1897, section 1 of the act of February 8, 1895, and section 1 of the act of February 19, 1895;

S. 2611. An act to authorize the Utah Pioneer Trails and Landmarks Association to construct and maintain a monument on the Fort Douglas Military Reservation, Salt Lake City, Utah;

S. 2626. An act to authorize the sale of Federal buildings;

S. 2649. An act to provide for a recreation area within the Prescott National Forest, Ariz.;

S. 2715. An act conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi;

S. 2737. An act authorizing the erection in the District of Columbia of a suitable terminal marker for the Jefferson Davis National Highway;

S. 2743. An act to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone;

S. 2761. An act conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon;

S. 2774. An act for the relief of certain officers on the retired list of the Navy and Marine Corps, who have been commended for their performance of duty in actual combat with the enemy during the World War;

S. 2779. An act to authorize the conveyance of certain lands in Nome, Alaska;

S. 2780. An act to repeal the limitation on the sale price of the Federal building at Main and Ervay Streets, Dallas, Tex.;

S. 2832. An act to provide a preliminary examination of Goldsborough Creek, in Mason County, State of Washington, with a view to the control of its floods;

S. 2846. An act authorizing the Secretary of the Navy to accept on behalf of the United States the devise and bequest of real and personal property of the late Paul E. McDonnold, passed assistant surgeon with the rank of lieutenant commander, Medical Corps, United States Navy, retired;

S. 2865. An act to amend the joint resolution establishing the George Rogers Clark Sesquicentennial Commission, approved May 23, 1928;

S. 2889. An act to authorize settlement, allowance, and payment of certain claims;

S. 2891. An act to provide for the adjustment and settlement of personal injury and death cases arising in certain foreign countries;

S. 2965. An act to amend the Hawaiian Homes Commission Act of 1920;

S. 2966. An act to empower the Legislature of the Territory of Hawaii to authorize the issuance of revenue bonds, to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes;

S. 2993. An act for the relief of Carrie Price Roberts;

S. J. Res. 112. Joint resolution extending the effective period of the Emergency Railroad Transportation Act, 1933;

S. J. Res. 122. Joint resolution granting the consent of Congress to the States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9 (70th Cong.), relating to the creation of the Lake Champlain Bridge Commission;

S. J. Res. 132. Joint resolution to create a commission to determine a suitable location and design for a memorial to the men and women who have been notable or may become notable in the history of the United States; and

S. J. Res. 139. Joint resolution requesting the President to extend to the International Statistical Institute an invitation to hold its twenty-fourth session in the United States in 1939.

COMMITTEE ON AGRICULTURE

Mr. JONES. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may sit during the sessions of the House during the remainder of the week.

Mr. SNELL. Mr. Speaker, is the gentleman's request for the committee just to sit during sessions for the remainder of the week?

The SPEAKER. That is all. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SNELL. Mr. Speaker, would it be proper for me to ask the Chairman of the Committee on Agriculture if he expects to bring up the A. A. A. amendments this week? This is a matter in which a great many people are very much interested.

Mr. JONES. Answering the gentleman from New York, Mr. Speaker, I think we hope to, but there are a number of matters that have to be very carefully considered, and it is impossible to set an exact or definite date.

Mr. SNELL. But it will be a couple of days at least?

Mr. JONES. It probably will be.

PERMISSION TO ADDRESS THE HOUSE

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes; and I may say that my remarks will be directed to a condition in which I think the House is interested; that is, the cause for the present taxicab strike, which I ask the privilege of discussing.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. DOUGHTON. Mr. Speaker, I object.

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. NICHOLS. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. GOLDSBOROUGH. Mr. Speaker, I hope the gentleman will not press his point of order.

Mr. NICHOLS. Mr. Speaker, I withdraw the point of order for the time being.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

RENEWAL OF LOANS TO BANK OFFICIALS

Mr. GOLDSBOROUGH. Mr. Speaker, the House of Representatives, in the omnibus banking bill, extended for 5 years from June 16, 1933, the time within which existing loans made by member banks to their executive officers could be paid. This bill has not passed the Senate, and the situation is such that unless we carry out the purpose expressed by the House in the omnibus banking bill before June 16, these executive officers who owe money to banks will have to resign or, if they do not resign, will be subjected to fine or imprisonment.

I have talked with the Speaker, and he has agreed to recognize me for the purpose of asking unanimous consent to pass a resolution I have just introduced and which is worded exactly as the corresponding language in the bill which passed the House. The language of the banking bill which passed the House is as follows:

Provided, That loans made to any such officer prior to June 16, 1933, may be renewed or extended for periods expiring not more than 5 years from such date where the board of directors of the member bank shall have satisfied themselves that such extension or renewal is in the best interest of the bank and that the officer indebted has made reasonable effort to reduce his obligation, these findings to be evidenced by resolution of the board of directors spread upon the minute book of the bank.

This language from that bill is embodied in the joint resolution I shall ask unanimous consent to consider.

Mr. Speaker, I ask unanimous consent to consider the House joint resolution I have just introduced.

The SPEAKER. The gentleman from Maryland asks unanimous consent for the consideration of the bill which the Clerk will report.

The Clerk read as follows:

House Joint Resolution 320, to extend from June 16, 1935, to June 16, 1938, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended

Resolved, etc., That subsection (g) of section 22 of the Federal Reserve Act is hereby amended by striking out "Provided, That loans heretofore made to any such officer may be renewed or extended not more than 2 years from the date this paragraph takes effect, if in accord with sound banking practice" and inserting in lieu thereof "Provided, That loans made to any such officer prior to June 16, 1933, may be renewed or extended for periods expiring not more than 5 years from such date where the board of directors of the member bank shall have satisfied themselves that such extension or renewal is in the best interest of the bank and that the officer indebted has made reasonable effort to reduce his obligation, these findings to be evidenced by resolution of the board of directors spread upon the minute book of the bank."

The SPEAKER. The gentleman from Maryland asks unanimous consent for the immediate consideration of House Joint Resolution 320. Is there objection?

Mr. SNELL. Mr. Speaker, reserving the right to object to ask the gentleman a question, as I caught the purport of the resolution as read, it simply extends the time within which loans made by officers from their banks previous to June 16, 1933, may be paid.

Mr. GOLDSBOROUGH. That is correct.

Mr. SNELL. And it is sought to put through this joint resolution at this time on the theory that it would not be possible for the banking bill to become a law prior to June 16, when it will be necessary to take action on these loans under existing law.

Mr. GOLDSBOROUGH. That is correct, and I might add that the House committee waited until the Senate committee had acted so that the language of this resolution is exactly the same as that contained in the resolution this morning reported to the Senate by the Senate Committee on Banking and Currency.

Mr. SNELL. I most certainly favor the purpose of this resolution.

Mr. COLDEN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Maryland if this is legal. I am not trying to bring this class of loans under the provisions of the law. Is not this in effect giving the bankers a special privilege not enjoyed by the customers of the bank?

Mr. GOLDSBOROUGH. No. When the omnibus banking bill was passed in 1933 we inserted therein a provision that executive officers could not borrow from banks by whom they were employed. Previously they had had the right to do that.

Mr. COLDEN. I understand.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There was no objection.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. DOUGHTON. Mr. Speaker, reserving the right to object—and I shall not object, but I serve notice now that unless there is a special occasion I shall object to any other unanimous-consent request to address the House.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. NICHOLS. Mr. Speaker, Washington today, according to reports in the newspapers, is the host to some 100,000 Shriners. When they reached town officially yesterday morning they were confronted with a taxicab strike, and be-

fore the cabs went back on the streets their rates were raised, in some instances double. I think that the House is entitled to know a little of the history as to what brought about this situation. Of course, these gentlemen came to Washington after Washington asked them to come here and had given them inducements to come. May I say here and now that I am not a Shriner and do not belong to any branch of the Masonic order, so it is not a fraternal matter with me. It is simply principle.

The great hospitable city of Washington gets guests here and then hikes the prices on them, and I refer to taxicabs at least. I do not know whether they hiked the rates on anything else or not. The reason the rates of the taxicabs were hiked was that the Diamond Cab Co. and the Union Cab Co. of this city got together night before last on the Diamond Cab Co.'s lot. They were called together by one Mr. Hohensee, who is chairman of a strike committee. He called all of the Diamond drivers and all of the Union Cab drivers in and said: "Now the Shriners are in town. There is going to be 100,000 people here. Now is the time to strike." So accordingly they struck yesterday morning, and they sent these Diamond cabs all over the streets of Washington, and their drivers forced the drivers of other cabs to the curb and threatened them with bodily violence if they did not park their cabs and refuse to haul passengers.

The excuse for this was that it was due to an article that was carried in one of the Washington papers, and I want to read the article.

Talk back to any taxi driver who takes you for a Shriner and tries to overcharge you, is the advice of People's Counsel W. A. Roberts on the eve of the big Shrine convention.

Roberts' comment was made on a report from the News that cabmen are threatening to charge customers by the hour for ordinary rides; that is, that after stepping in a taxi you'll be told the rate is by the hour and you'll have to pay for an hour or half hour, no matter how short the ride.

ONLY 22 GIVEN O. K.

Roberts says:

1. No taxi is permitted to charge by the hour when a customer names a destination within the District of Columbia.
2. Only 22 out of Washington's 3,800 zone cabmen will be permitted legally to raise their zone rates for the Shrine convention.
3. Hack inspectors will be on duty during Shrine week, watching out for cabmen who are attempting to overcharge or overcharging. The 22 drivers who will be permitted to charge higher rates filed request for this change 10 days ago. Under Public Utilities Commission regulations, no such change is legal without 10 days' notice; so the remaining 3,778 couldn't do anything about it now if they tried.

That is the message that the Shriners got. They were assured that there were only 22 that could charge over the prescribed rate.

Mr. BLANTON. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Texas.

Mr. BLANTON. In addition to the 100,000 Shriners there are 200,000 friends of Shriners who are here as visitors. Outside of the 22 cabs that gave notice of raises in compliance with law, every other cab raising charges is violating the law and their license ought to be taken away from them and they should not be allowed to run on the streets of Washington again.

Mr. NICHOLS. If the gentleman will permit, I want to suggest that and read the law.

Mr. RANKIN. Will the gentleman yield?

Mr. NICHOLS. I yield to the gentleman from Mississippi.

Mr. RANKIN. Is not the Public Utilities Commission in on this conspiracy?

Mr. NICHOLS. I am going to cite the facts to the Members of the House and they may draw their own conclusion as to whether the Public Utilities Commission is in on the conspiracy or not.

Mr. RANKIN. They invited the Shriners Convention to come here, and one of the inducements held out to them was the cheap cab fare in the District of Columbia. Then as soon as they arrived this fake strike and this advance in fare took place.

I am told that two conventions that were to come here later in the fall have canceled their engagement and will not come to Washington as a result of this trouble.

Mr. NICHOLS. The excuse given by the chairman of the strike committee calling the strike was because this man Roberts, whose article I have just read, slandered the taxicab drivers. The only taxicab drivers involved were the drivers of the Diamond and Union Taxicab Cos., and they are the only ones involved to date, because they are the only ones who hiked their rates.

I want to read what our great Commission down here said in preparing to lay a foundation in order to let these highjackers hijack the Shriners that are in town. The drivers have done this legally by the help of the Commission, your Commissioners of the District of Columbia. I want to read you their flimsy order.

The Commission, on advice from the press that a general taxicab strike had been called and that there were no cabs operating, set forth immediately to contact the drivers and representatives and other principals for the purpose of ascertaining the true situation. A meeting was promptly called, attended by drivers of practically each organization—Independents as well as the spokesmen of the union. A full opportunity was given to all to express their views. Briefly, it may be said that a substantial number of the operators resented certain publications, and, likewise, saw the necessity for existing rates, to a limited measure, to be increased.

May I say also that when the cab drivers went before the Commissioners, they went there primarily for the purpose of adjusting the differences between the strikers, but when they got there the meeting immediately turned into a rate-fixing schedule hearing, and nothing else. All that was discussed there was the matter of rates.

This order reads further, as follows:

The regulation of taxicab rates in the District of Columbia has been recognized as lacking in legal authority. The Commission, recognizing this situation, at the last session of Congress requested that if the meter prohibition was to continue, its hand be strengthened so that it might be enabled to bring about a uniform system of zones and rates. Fortunately the two Houses have seen fit to adopt this viewpoint.

This is the Commission talking—

The measure has gone through conference, and it is contemplated that it will become law at an early date.

They are talking about a measure which they say will give them the authority. I hope the conference will report the bill out.

Mr. BLANTON. That bill is in the White House for signature now.

Mr. NICHOLS. If the President signs it, then maybe they have the authority. I will not read all of this. They simply state that they are forced to let the taxicabs raise their rates from the 20-30-50-70 schedule to 20-40-60-80. That is the order of the Commission. However, if you go out on the street you will find that the cabs that have raised their rates have raised them even in excess of what the Commission said they could charge. They are now charging 35-50-70-90.

Now, let us see what cab companies wanted this. The Diamond Co. and the Union Cab Co. raised their rates. Let us see who did not raise their rates. And may I say that the boys in the press gallery can do the city of Washington a great service and they can do the Shriners a great service if they will have published in their papers in the next edition today the names of the taxicabs that will ride the Shriners over the streets of the city of Washington without a raised rate and the names of the highjackers that are charging the higher rates? I would like to give the names of those cabs.

[Here the gavel fell.]

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

Mr. NICHOLS. I can finish in that time.

Mr. DOUGHTON. Mr. Speaker, we agreed on 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. DOUGHTON. I shall not object.

Mr. RANKIN. Mr. Speaker, to be perfectly frank, in my opinion we should have adjourned today out of deference to the Shriners who are here, and if we cannot get this extra

time for the gentleman from Oklahoma to discuss this mistreatment of them, I am going to move to adjourn.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. NICHOLS. I want to give you the names of the companies that have not raised their rates at all and have met together and agreed not to raise them:

The Bell Cab Association, the Blue Light Cab Association, the American Cab Association, the City Cab Association, the Premier Cab Association, the Harlem Cab Association, the General Cab Association, the Minute Cab Association, and the Yellow Cab Association. None of these associations has raised its rates.

Mrs. JENCKES of Indiana. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. I cannot yield now, as I have not the time.

Let us see about the law and authority for this and how these boys happened to do it. I am reading now from title XXVI of the Code of Laws of the District of Columbia, section 46:

Every public utility shall file with the Commission, within a time to be fixed by the Commission, schedules, which shall be open to public inspection, showing all rates, tolls, and charges which it has established—

And so forth. Now, listen to section 50 of the same title:

No change shall be made in any schedule, including schedules of joint rates, except upon 10 days' notice to the Commission.

Now, remember that the cab men went to the Commissioners yesterday and on 30 minutes' notice their rates were raised. Now, listen to a further reading of this section:

And all such changes shall be plainly indicated upon existing schedules, or by filing new schedules in lieu thereof 10 days prior to the time the same are to take effect: *Provided*, That the Commission, upon application of any public utility, may prescribe a less time within which a reduction may be made.

The only exception to the law where it provides for 10 days is that they can set a lesser time if the company wants to reduce its rates and not raise them, and I say to you that the Public Utility Commissioners of the District of Columbia, when they permitted these hijacking cab drivers to go in and hike these rates, did so contrary to law, and every one of them is guilty of a penal offense.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. NICHOLS. Let me finish my statement first.

They say they have not any authority—

Mr. MAY. I think I can give the gentleman some information.

Mr. NICHOLS. In just a moment, please.

Now, let us see about their authority and what they can do to these fellows if the government of the District of Columbia wants to do anything about it, and if the city of Washington wants to treat its guests as they should be treated. Listen—

If any public utility or any agent or officer thereof—

This is section 106 of the same title—

shall, directly or indirectly, by any device whatsoever, or otherwise, charge, demand, collect, or receive from any person, firm, or corporation a greater or less compensation for any service rendered or to be rendered by it in or affecting or relating to the conduct of a street railroad, or street railroad corporation, common carrier, gas plant * * * or for any service in connection therewith than that prescribed in the public schedules or tariffs then in force or established as provided herein, or than it charges, demands, collects, or receives from any other person, firm, or corporation other than one conducting a like business for a like and contemporaneous service, such public utility shall be deemed guilty of unjust discrimination, which is hereby prohibited and declared to be a misdemeanor and unlawful, and upon conviction thereof shall forfeit and pay to the District of Columbia not less than \$100 nor more than \$1,000 for each offense; and such agent or officer so offending shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than \$50 nor more than \$100 for each offense.

I say to you, in all frankness, it is a crying outrage that the Commissioners of the District of Columbia would per-

mit this to be perpetrated on the guests of the city of Washington, and while I have no interest in the taxicabs and do not give a whoop about them one way or the other, I hope you gentlemen will tell your friends about the situation and I say to you that there ought to be a boycott started today on the Diamond Cab Co. and on the Union Cab Co. [Applause.]

[Here the gavel fell.]

STATUE OF HANNIBAL HAMLIN

Mr. HAMLIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting the proceedings in Statuary Hall, held on yesterday, Monday, June 10, 1935, in connection with the unveiling of the statue of Hannibal Hamlin, of Maine.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HAMLIN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following exercises at the unveiling of the statue of Hannibal Hamlin, Statuary Hall, the Capitol, June 10, 1935:

Invocation by Dr. James Shera Montgomery.

The statue was unveiled by Miss Martey Lou Denton.

PRESENTATION OF STATUE BY HON. SIMON M. HAMLIN

Mr. HAMLIN. My friends, last week the House and Senate by resolution accepted a great gift. It is my happy privilege, because of the enforced absence of Hon. Louis J. Brann, Governor of the State of Maine, to present the statue of a great and good man, Hannibal Hamlin—but Hannibal Hamlin is but half his name—he was Hannibal Hamlin of Maine.

Hannibal Hamlin did not get all of his goodness from the good blood of the Hamlins, the Washburns, and the Livermores. I love to think he got a part of his goodness from the hills and mountains of Oxford County and northern Maine where as a boy he fished and hunted and saw the pines and the oaks of Maine grow stronger in the storm.

Yes; Maine's outdoors was near this man and the pure air from the northern hills made him strong and right in body and soul. This man never traded with wrong. We need more of his stuff in these days. He had the brains and the common horse sense to see what to do, and the courage and backbone to do it.

I love to think of Hannibal Hamlin. He was one of our very best. I love to think of him as he lived in Congress, and during his whole life. We do not have to skip any place in the life of Hannibal Hamlin; we can look at his life all of the way through. He had the brains and the heart and the good sense to know what to do, and to do it. Let me quote from Eben Holden, who says:

"He allus kept his tugs tight, never swore less 'twas necessary, er lied in a hoss trade, er ketched a fish bigger'n 'twas, gone off somewhere."

It must be a good land where he can be happy.

It is with great regret that I have to say Hannibal Hamlin, Jr., of Ellsworth, Maine, cannot be present today because of the fact he is today receiving the degree of doctor of law at Boston University, Boston.

Yes; it must be a good home, for Hannibal Hamlin deserved one, and so you have the picture of him just as he was. I love to think of him just as he was. It does me good. Nature can say to all the world: "This was a man."

Now, Senator WHITE, I want to present to you this statue of a man who represented the very best traditions of New England and of all Maine. I present to you the statue of Hannibal Hamlin, of Maine. [Applause.]

ACCEPTANCE OF STATUE BY SENATOR WALLACE H. WHITE, JR., OF MAINE

Senator WHITE. Mr. Chairman, I have the honorable privilege to officially appraise you that the Congress of the United States by appropriate resolution has accepted this statue and has addressed to the State of Maine its thanks for the contribution thereof. With this official sanction, Hannibal Hamlin stands here as Maine's representative in this National Hall of Fame.

No citizen of our State was ever more worthy of this distinction. His life was exemplary. His public career was distinguished.

He served the State of Maine in this legislative body, and he served the Nation as a Member of the House of Representatives, and as a United States Senator, as a first resident of the United States, and as a minister to a foreign nation.

The people and the Nation that are without shrines, temples, statues, and monuments are without reverence for the uplifting influence of the past. They are without present ideals.

May we not know that this statue of Hannibal Hamlin will tell to the countless thousands of Americans who pass and repass through this hall the story of the useful, courageous, and honorable life devoted to mankind, to his State, and to his Nation. May we not know that to them all Hannibal Hamlin always served as an example and as an inspiration.

The State of Maine takes great pride that this son of her's is to stand in this hallowed spot. I, with such authority as I have, accept in behalf of the Congress of the United States, this contribution from our native State.

[Applause.]

Mr. HAMLIN. We will hear from Hon. RALPH O. BREWSTER, "The Representative."

ADDRESS BY HON. RALPH O. BREWSTER, "THE REPRESENTATIVE"

Mr. BREWSTER. As the Representative from the district from which Hannibal Hamlin first came to Congress, to the Congress of the United States and as a former Governor of Maine, in which position Hannibal Hamlin was privileged to serve for one brief month, it is a privilege to speak upon his service as a Representative and Governor in the very brief time that may be allotted here.

There are assembled this morning in this hall, dedicated by the Nation, those men who have been selected by their several States in the course of a century of strife and service, in this most historical spot, speaking so eloquently of what America has been, speaking to us with their glorified example of the America that shall be if we shall be true and worthy of the sacrifice of their lives.

Coming to Congress in the years preceding that great strife between the States, when America was entering that period of foment from which the Union finally emerged triumphant, Hannibal Hamlin was tested as were few men before our people.

He, without curb on his thoughts, guided by his principles, and by ties of no kind, coming here under the name of the party which was then dominant, he found himself led inevitably by the events of those days, ultimately to transfer his allegiance to that new party dedicated to the principle of the Union as we now know it; and we may with profit read his history and follow the principles to which he dedicated his great life.

It is too easy to forget the trials which were visited upon the leaders of those days, as we sit here in the glow of this dedication and think only of the honors and the triumphs that ultimately crowned his days.

We shall do well to remind ourselves that if we are worthy of his service we too shall follow along the path he trod so well and be ready ourselves to sacrifice those things that we may seem temporarily to hold most dear in order that this Nation in this day shall have that new birth of freedom for which they were ready then to sacrifice their lives.

In those early years in the lower House of Congress he indicated clearly by his course his determination that this Union triumphant should go on to that service which we still see plainly marked upon the banners of our day. It is for us, his descendants, spiritually and patriotically, to be rededicated to determine that the America founded by our Pilgrim Fathers, preserved by the sacrifices of these men under his leadership shall not perish from the earth, but that America shall go on as an example of democratic progress for the service of mankind. [Applause.]

Mr. HAMLIN. The next is "The Senator", Hon. FREDERICK HALE, United States Senator.

ADDRESS, "THE SENATOR", BY HON. FREDERICK HALE, UNITED STATES SENATOR FROM MAINE

Senator HALE. When in 1881 Hannibal Hamlin retired from the United States Senate my father succeeded him in that body. My grandfather, Senator Chandler, of Michigan, was for many years his colleague in the Senate and one of his most intimate friends. His son, Hannibal Hamlin, was for many years my father's law partner and is my very dear friend. It is, therefore, with real pleasure that I rise today to pay a brief but sincere tribute to the memory of one of the best loved and most honored statesmen that my State has produced.

As a boy I was a frequent visitor with my father and mother at the Hamlin home in Bangor where Mr. Hamlin spent the last years of his life, and I can well remember the reverence and awe in which my brothers and I held this great survivor of the Civil War period.

I have been selected today to speak briefly of Mr. Hamlin's career in the Senate, in which body he was elected as a Democrat in 1848. He was then 39 years of age. Serving in the Senate at that time were Webster, Clay, Calhoun, Benton, Sumner, Douglas, and other giants of their day. Among these Titans he rapidly found his place, and an important place it was. His long experience in the legislature of his State, in which body he served three successive terms as speaker, together with his active experience in the National House of Representatives, gave him a knowledge of parliamentary law perhaps unequalled in the Senate, and he became an authority on that subject. His knowledge of the problems of business, his sound native judgment, and his fearless honesty made him a potent figure in the councils of his party and in the country at large. He spoke seldom on the floor of the Senate, but when he did speak he spoke powerfully and to the point and his speeches were always effective. He was given the chairmanship of the important Committee on Commerce.

Thus, early in his senatorial career established as one of the coming men of his party, it was a great shock to that party when immediately after the renomination of President Buchanan in 1856 Senator Hamlin announced that he could not support Mr. Buchanan, that he was permanently at odds with his party on the question of slavery, and that he would not stand for the repeal of the Missouri Compromise. He resigned from the chairmanship of the Committee on Commerce, and shortly thereafter joined the newly formed Republican Party, which welcomed him with open arms, and he at once became one of the recognized leaders of that party. In 1856, while still a Member of the Senate, he ran for the governorship of Maine on the Republican ticket and was triumphantly elected, many of the old-line Democrats of his State going over to the new party with him. A few months later the Maine Legislature again elected him to the Senate, where he

remained until his election to the Vice Presidency in 1860. In 1869 he was again elected to the Senate, and served there until his voluntary retirement from public life in 1881. During this latter period of service he held for a number of years the chairmanship of the Committee on Foreign Relations.

Maine is singularly fortunate in the list of great statesmen that she has given to the country. I think that no one of them better typifies the Maine ideal of what a statesman should be than Hannibal Hamlin.

It is with grateful recognition of his sterling service to his State and his country that we place his statue in the Hall of Fame of the Nation's Capitol today.

[Applause.]

Mr. HAMLIN. The next is "The Vice President", Hon. Charles S. Hamlin.

ADDRESS, "THE VICE PRESIDENT", BY HON. CHARLES S. HAMLIN

Mr. HAMLIN. Mr. Chairman, honorable Members of Congress and the Senate of the United States, ladies, and gentlemen, first I want to express the very deep regret that Hannibal Hamlin, of Ellsworth, Maine, is unable to be here because of circumstances beyond his control.

I regard it as a great honor to be permitted to participate in this celebration this morning in honor of this great American. It is unnecessary to say much about his public life, because if you wish to know his public life you only have to read the history of our great country; it is there inscribed.

During the extent of his life he saw many changes in our Government and constitutional system. For example, in the early days in treaties, when the United States was named, it was always followed by the word "are", looking upon the United States as a federation of individual States, whereas today, in modern treaties the United States is always followed by the singular verb, "is", and the United States is accepted as the grand united, universal, National Government. There have been very many changes since Hannibal Hamlin's days in this great historic State of Maine.

I remember visiting the Vice President during the administration of President Hayes. He was then living at the Willard Hotel, and the night before I left, he asked me if there was anything I had not seen that I desired to see in Washington. More in jest, I said I would like to call on President and Mrs. Hayes at the White House. He looked at me a moment, and said, "Young man, put on your coat and come on."

That night, in the cold, we walked over to the White House and in 3 minutes we were sitting in the room received by the President and Mrs. Hayes. We spent the whole evening there. Mrs. Hayes asked me if I would not like to see the East Room. Of course I said I should be delighted. She ordered the room lighted and took my arm and paraded around the East Room with me. I shall never forget that night, and that beautiful woman. I always think of her when I think of Hannibal Hamlin.

Hannibal Hamlin's ancestor, James Hamlin, came to America in the middle of the seventeenth century, and a descendant, Major Hamlin, was a major in the Revolutionary War, and was granted land grants in what was then the District of Maine. This old gentleman, Major Hamlin, I think, had 12 children. He named one Cyrus, one Hannibal, and then the others he named for the continents, Europe, Asia, Africa, and America, and I am a proud descendant of Asia Hamlin.

There is a very interesting story Hannibal Hamlin told me once about his uncle Asia Hamlin. All of the boys went down to work on the grant of land in Maine, and the story he told us is that Asia one day in the wilds of Maine came across a bear. They engaged in a friendly or unfriendly discussion, and soon Asia was disposed to postpone such further debate, but the bear was obdurate. Asia after great pressure would have brought that bear in, but unfortunately he did not, and he moved to adjourn, but the bear would not, but finally Asia made up his mind to move himself up into a tree until the danger was over and then come back to the fatherland in old Massachusetts.

My friends, there is so much that could be said, and so much has been said already by the distinguished gentlemen preceding me, I can only say it is an honor and I am sure you feel it is to all of us, an honor to participate in this celebration in this historical hall, which you remember was once the room of the House of Representatives, where now you see the statues of these great men who were the upbuilders of this great Nation, and our children, and our children's children shall rise up and call their memory blessed. [Applause.]

Mr. HAMLIN. There is just one thing more before the benediction, which I want to tell. It was brought to me by one of the Hamlins of New England that Abraham Lincoln said to Hannibal Hamlin at one time, "You know Hannibal, you are very close to me, because your name is a part of mine. You know mine is Abraham Lincoln, so taking away the first part of Abraham we have ham left, and taking the first part of Lincoln you have lin, so that out of those two names we have the name Hamlin." [Applause.]

ANTISMUGGLING ACT

Mr. DOUGHTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7980) to protect the revenue of the United States, and to provide measures for the more effective enforcement of the

law respecting the revenue, to prevent smuggling, to authorize customs enforcement areas, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. Ludlow in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill which the Clerk will report.

The Clerk read the title.

Mr. DOUGHTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. DOUGHTON. Mr. Chairman, H. R. 7980, a bill to protect the revenue of the United States and provide measures for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs enforcement areas, and for other purposes, was referred to the Committee on Ways and Means some days ago and has been very thoroughly and carefully considered by that committee. It is reported by the unanimous vote of the Committee on Ways and Means and so far as I know there is no opposition to the legislation.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield for a question?

Mr. DOUGHTON. Yes.

Mr. FITZPATRICK. As I understand, the object of this bill is principally to prevent smuggling of intoxicating liquors into this country.

Mr. DOUGHTON. That is the primary purpose.

Mr. FITZPATRICK. Did the committee consider a bill to permit liquor to come in here free, and to take the duty off it so that we could break up the Whisky Trust, which is far worse than the racketeers or the bootleggers before prohibition was repealed? Did the gentleman's committee take up such a bill as that?

Mr. DOUGHTON. It has not yet.

Mr. FITZPATRICK. We would not have to have this bill if the gentleman's committee would take the duty off liquor and let it come in free so as to break up the Whisky Trust.

Mr. DOUGHTON. That is a matter of opinion which would provoke a great deal of controversy and keep us here for a month. According to the information furnished the Committee on Ways and Means, there are now hovering off the coast of the United States some 40 or 50 vessels laden with liquor to be illegally smuggled into the United States. Prior to prohibition very little smuggling of contraband liquor into the United States occurred, but during the prohibition era, when liquor was scarce and expensive, the temptation was great to violate the laws of the United States with respect to the manufacture and the sale of liquor. During that time there was a great temptation to smuggle liquor into the United States, and that grew to such proportions that it was necessary to take means to deal with it.

It was expected that when the eighteenth amendment was repealed the smuggling of contraband, illegal liquor, into the United States would cease, or at least be reduced to a minimum. Contrary to expectations, however, the custom has continued, and it is estimated now, upon the best information which the Treasury Department has, that at least two and a half million gallons of alcohol are smuggled annually into the United States. Every gallon of alcohol is supposed to make about two and a half gallons of whisky. Therefore the Treasury is being deprived of internal-revenue tax and customs duties amounting to something like \$30,000,000 per annum. This bill is designed to break up and prevent that illicit smuggling of liquor into the United States. Under international law we have a territorial area extending out 3 miles from shore. And we have also a customs area extending out 12 miles.

Under treaties with other nations we have a right of control over smuggling vessels in a sailing distance of 1 hour, but under our own laws we cannot go beyond the 12-mile limit. This is designed to give the President of the United

States authority, when he has the information that smuggling boats are hovering without the 12-mile limit, to declare a customs zone extending farther and to a distance of 50 miles beyond customs waters. At one time when Great Britain was harassed by conditions similar to those now with which we are confronted, she extended her territorial customs jurisdiction a distance of 300 miles. This bill is designed to break up this illicit dealing in contraband liquor and also to protect legitimate commerce. While the smuggling is mainly of contraband or illicit liquor, it is not confined alone to that commodity. Our customs laws are violated with respect to other commodities as well as contraband liquor.

The purpose of this legislation is, first, the establishment of customs-enforcement areas outside the 12-mile limit, thereby giving a more flexible administrative control over enforcement. Second, search and seizure and forfeiture of vessels under certain conditions. Third, enforcement of revenue laws against foreign vessels within the limits authorized by existing treaties, there being at present a gap between our customs control and treaty limits. Fourth, providing a basis for reciprocal legislation by other countries by prohibiting smuggling offenses by our nationals and vessels against revenue laws of foreign countries. Fifth, to provide increased fines and penalties, and for penalizing of acts indicative of smuggling activities not covered by existing law. And sixth, for more effective administrative control over boats of less than 500 net tons and small contact boats.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON. Yes.

Mr. COLDEN. Has the gentleman's committee considered that some countries might perhaps retaliate? I have in mind the case of Mexico retaliating against American fishermen from San Diego and San Pedro. Has that matter been considered by the committee?

Mr. DOUGHTON. The gentleman means that other countries will enact similar legislation against rum-running boats that could leave our shores for illicit purposes?

Mr. COLDEN. I recall complaints from our fishermen who objected to the 12-mile limit, because Mexico followed the same line of action and claimed a certain fishing privilege beyond the 3-mile limit.

It would seem to me rather mixed and interwoven down there in the southwestern part of the United States. I have never gone into the real facts of the case, but I remember hearing it discussed. I wondered whether the committee knew of anything of that sort?

Mr. DOUGHTON. I do not know that that matter was brought to the attention of our committee. It is not thought by those most familiar with the proposed legislation that it will involve us in any international complications. We have the expectation that other countries will be glad to reciprocate and enact similar legislation for the protection of their revenues. One of the purposes of this legislation is to encourage reciprocal legislation and laws by which the nations can cooperate with each other in protecting their revenues against rumrunners and smuggling boats that are violating the laws of our country.

If there are any further questions that anyone has in mind, I will be glad to answer them if I can.

Mr. MASSINGALE. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. MASSINGALE. Suppose we have a treaty with Great Britain, and by the terms of that treaty we have the right of search and seizure within 1 hour's sailing of the United States. Now, if we fix 50 miles as an hour's sailing, does not the gentleman apprehend that we might become involved with Great Britain?

Mr. DOUGHTON. Under international law we have the right to fix the distance as far as reasonably necessary to protect the revenues of the Government. Great Britain fixed its distance, under somewhat similar conditions with which we are now dealing, as far as 300 miles. So Great Britain would not be in a very favorable position to raise a question of that kind.

Mr. MASSINGALE. I do not think the gentleman understood my question. If the treaty should limit it to 1 hour's sailing, would we be safe in fixing an arbitrary distance that might be 2 hours' sailing?

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. SAMUEL B. HILL. We have treaties with Great Britain and 15 other nations whereby we can go out 1 hour's sailing. This legislation does not modify that. We cannot go beyond that 1 hour's sailing as far as those treaty countries are concerned.

Mr. MASSINGALE. But we can go farther than that as far as other nations are concerned?

Mr. SAMUEL B. HILL. Yes; as far as nations with whom we do not have treaties are concerned.

Mr. CRAWFORD. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. CRAWFORD. Can the chairman at this time give us some information as to how our Coast Guard is equipped with fast speedboats and arms and gunnery, and so forth, for the protection and carrying out of this program?

Mr. DOUGHTON. As I understand it, our Coast Guard now equipped with about 10,000 men. The gentleman must realize how impotent that force would be to deal with rumrunners and smugglers along a coast of 10,000 miles. Our coast extends about 10,000 miles. I understand that the Coast Guard is not able at all to cope with the problem. If it had been, of course, this legislation would not have been necessary. It is on account of their inability to cope with the situation at all or deal with it successfully that this legislation has been necessary.

Mr. CRAWFORD. Does this legislation increase the staff as well as the equipment that they will be supplied with?

Mr. DOUGHTON. No. I do not think it deals with the Coast Guard force at all.

Mr. COLDEN. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. COLDEN. Among those 15 nations which have treaties with this country, recognizing our right to extend our jurisdiction 50 miles, is Mexico included?

Mr. DOUGHTON. I do not think so.

Mr. KENNEY. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. KENNEY. How much more money is this bill going to cost?

Mr. DOUGHTON. Not a cent. It calls for no appropriation.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. FITZPATRICK. The Liquor Trust in this country will receive more financial benefit out of this legislation than the Federal Government, will it not?

Mr. DOUGHTON. Oh, that is a matter of opinion. I believe if the gentleman had been a member of our committee and had heard all the testimony with respect to this matter, he would have agreed with the 25 members of our committee. The committee unanimously reported this bill. I do not think our committee is under the control of the liquor trust.

Mr. FITZPATRICK. Oh, I am in favor of the bill, but I would rather see a bill brought in to break up the liquor trust.

Mr. DOUGHTON. I suggest the gentleman should introduce such a bill and have it referred to our committee, and I am sure it will have adequate consideration.

Mr. SAMUEL B. HILL. That would not be germane to the bill that is now under consideration.

Mr. DOUGHTON. I have great sympathy with the desire of the gentleman from New York [Mr. FITZPATRICK] to protect the revenues of the Government.

Will the gentleman from New Jersey [Mr. BACHARACH] now use some time?

Mr. BACHARACH. Mr. Chairman, insofar as the Republican members of the Ways and Means Committee are concerned, there is no objection to this bill at all. They voted to report it out unanimously.

The Chairman of the Committee on Ways and Means has stated that the loss to the Government will be about \$30,000,000. My information indicates that the loss may run up as high as \$100,000,000, if we do not enact this bill or similar legislation.

I wish to call the attention of the House to the fact that the chief article which is being smuggled into this country by the rumrunners is alcohol, which costs them abroad 25 to 50 cents a gallon. The customs duty on alcohol of 100-proof is \$5; but the alcohol which is smuggled into the United States is 190-proof, and the customs duty on such alcohol per gallon is \$9.50. The internal-revenue tax is \$3.80 per gallon, so the total revenue lost by the Government on a gallon of 190-proof alcohol is \$13.30.

Much of the smuggled liquor and smuggled alcohol is afterward cut and a great many more gallons made out of it. As the acting Member on this side, I have received no requests for time. It is up to the chairman of the committee to use whatever time he cares to, because, so far as I know, there will be no further speeches on this side.

Mr. SAMUEL B. HILL. The gentleman has no further requests for time?

Mr. BACHARACH. I have no further requests for time on this side.

Mr. DOUGHTON. The Clerk may read.

The Clerk read as follows:

SECTION 1. (a) The President is authorized, whenever he finds that any vessel or vessels hover or are being kept off the coast of the United States at any place or within any area on the high seas adjacent to but outside customs waters and that, by virtue of the presence of any such vessel or vessels at such place or within such area, the unlawful introduction or removal into or from the United States of any merchandise or person is being or may be occasioned, promoted, or threatened, to declare such place or area to be a customs-enforcement area for the purposes of this act. Upon declaration of any such customs-enforcement area, such provisions of law applicable to the high seas adjacent to such customs waters shall apply and be enforced in such area upon any vessel, merchandise, or person found therein, to such extent and under such circumstances as the President finds and declares to be necessary to prevent smuggling, to protect legitimate commerce, or to secure the revenue of the United States.

(b) At any place within a customs-enforcement area the several officers of the customs may go on board of any vessel and examine the vessel and any merchandise or person on board, and bring the same into port, and, subject to regulations of the Secretary of the Treasury, it shall be their duty to pursue and seize or arrest and otherwise enforce upon such vessel, merchandise, or person the provisions of law which are made effective thereto in pursuance of subsection (a) in the same manner as such officers are or may be authorized or required to do in like case at any place in the United States by virtue of any law respecting the revenue: *Provided*, That nothing contained in this section or in any other provision of law respecting the revenue shall be construed to authorize or to require any officer of the United States to enforce any law thereof upon the high seas upon a foreign vessel in contravention of any treaty with a foreign government enabling or permitting the authorities of the United States to board, examine, search, seize, or otherwise to enforce upon such vessel upon the high seas the laws of the United States except as such authorities are or may otherwise be enabled or permitted under special arrangement with such foreign government: *Provided further*, That none of the provisions of this act shall be construed to relieve the Secretary of Commerce of any authority, responsibility, or jurisdiction now vested in or imposed on that officer.

Mr. SAMUEL B. HILL. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment:

"SECTION 1. (a) Whenever the President finds and declares that at any place or within any area on the high seas adjacent to but outside customs waters any vessel or vessels hover or are being kept off the coast of the United States, and that by virtue of the presence of any such vessel or vessels at such place or within such area the unlawful introduction or removal into or from the United States of any merchandise or person is being or may be occasioned, promoted, or threatened, the place or area so found and declared shall constitute a customs-enforcement area for the purposes of this act. Only such waters on the high seas shall be within a customs-enforcement area as the President finds and declares are in such proximity to such vessel or vessels that such unlawful introduction or removal of merchandise or persons may be carried on by or to or from such vessel or vessels. No customs-enforcement area shall include any waters more than 100 nautical miles from the place or immediate area where the President declares such vessel or vessels are hovering or are being kept, and notwithstanding the foregoing provision shall not include any waters more than 50 nautical miles outward from the outer limits

of customs waters. Whenever the President finds that, within any customs-enforcement area, the circumstances no longer exist which gave rise to the declaration of such area as a customs-enforcement area, he shall so declare, and thereafter and until a further finding and declaration is made under this subsection with respect to waters within such area no waters within such area shall constitute a part of such customs-enforcement area. The provisions of law applying to the high seas adjacent to customs waters of the United States shall be enforced in a customs-enforcement area upon any vessel, merchandise, or person found therein."

Mr. SAMUEL B. HILL. Mr. Chairman, the bill now under consideration was drafted, considered, and reported by the committee before the decision by the Supreme Court in the Schechter case, and this committee amendment, a substitute for section 1a of the bill, makes the language of that section conform to the decision laid down in the Schechter case by the Supreme Court as to standards required in the delegation of power.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. SAMUEL B. HILL. I yield.

Mr. JENKINS of Ohio. I do not know that I have seen this amendment before, but the gentleman probably remembers I raised a question in the committee about this section.

Mr. SAMUEL B. HILL. I think the gentleman sat in with the subcommittee at the time the amendment was considered and formulated.

Mr. JENKINS of Ohio. I do not recall being present when the final draft of the amendment was adopted. I want to ask now one question I asked of the committee: Does this amendment affect the present 12-mile limit?

Mr. SAMUEL B. HILL. No. The customs area defined by this amendment commences at the outer edge of the present customs waters and extends seaward.

Mr. JENKINS of Ohio. Then it does not touch the 12-mile limit?

Mr. SAMUEL B. HILL. It touches it, yes; but touches the outward edge and extends seaward.

Mr. VINSON of Kentucky. The beginning of the customs area defined in the bill is at the outer edge of the present customs 12-mile limit and extends seaward not more than 50 miles and coastwise possibly 200 miles, 100 miles on each side of the vessel.

Mr. JENKINS of Ohio. But the 200 miles is all outside the 12-mile limit.

Mr. SAMUEL B. HILL. Yes.

Mr. JENKINS of Ohio. Repeal of the establishment of this additional customs area is provided for. Would such a repeal in any way affect the 12-mile limit now existing?

Mr. SAMUEL B. HILL. It does not affect the 12-mile limit at all.

Mr. VINSON of Kentucky. Such repeal would not in any way affect any portion of the 12-mile limit.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

TITLE IV

SECTION 401. When used in this act:

(a) The term "United States", when used in a geographical sense, includes all Territories and possessions of the United States, except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam.

Mr. SAMUEL B. HILL. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. HILL of Alabama: Page 33, line 6, after the word "islands", insert the words "Canal Zone."

The committee amendment was agreed to.

Mr. KENNEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is a drastic law. In some particulars it corresponds largely to the Jones "five-and-ten" law. I do not know just how effective it is going to be. It carries very severe penalties, of course. But penalties do not seem to curb profitable rackets, of which smuggling is but one. The gentleman from New Jersey, my colleague, stated that the Gov-

ernment expects to save \$100,000,000 in liquor revenue through the operation of this new law. Very good. Still it is my belief that we shall salvage such a sum only when we make it unprofitable for the smuggler and bootlegger to carry on his racket. We can easily take the profit out of smuggling by reducing the tax on liquor. Then and not till then shall we know that we have conquered the smuggling of liquor. It was brought out casually a few moments ago that the Ways and Means Committee would presently consider the question of a reduction in the liquor taxes and duties. That question should have had preference over that here involved. Action on that score would have been far more effective for our purposes, because we can accomplish by the application of economic law what we can never control by a penal law designed to regulate the habits and morals of our people. Once there is established a sound economic law affecting the liquor traffic, there will be an end of smuggling.

The committee report reads that during prohibition there was very little smuggling. That was because the liquor traffic then was regulated according to economic law.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. KENNEY. I yield.

Mr. DOUGHTON. Has the gentleman read the report?

Mr. KENNEY. I have; yes.

Mr. DOUGHTON. The committee report says "pre-prohibition days."

Mr. KENNEY. Yes; that is what I had in my mind, exactly; the pre-prohibition period. We were then functioning in economic order. Now, glance for a moment at the question of prohibition. It is true that moralists initiated the movement, but final action came about through the support of great industrialists, fortified by strong money power emanating from their power houses of money, by means of which they were able to capitalize their idea—their objective—and the objective was to divert the vast moneys employed in the liquor traffic into other channels of business in which they were interested. That is how we got prohibition in this country. But prohibition did not succeed in accomplishing the objective for which it was designed by the industrialists. It was found that we could not successfully regulate the habits and morals of our people, despite heavy and drastic penalties, and consequently there existed an unsurmountable barrier or dam, effecting a stoppage of the flow of moneys from the liquor trade to the business channels for which they were intended. Instead, the taxes that went to the Government, together with the liquor-traffic moneys, found their way into bootleg channels, which were and remained outside the pale of our economic structure. Repeal, in the circumstances, had to come, and when it came through another amendment to the Constitution, which carried after support by President Roosevelt and others versed in the law of economics, prohibition was repealed not upon moral grounds but for economic reasons.

The result was to bring back in large measure to the realm of our economic structure the moneys which had been taken from it by the bootleggers. These moneys began to flow through legal liquor trade and commerce and the Government again was the recipient of its liquor taxes which lifted the burden of public taxation.

Now, we are worrying about losing \$100,000,000 on account of the smuggling of liquor into this country, but we close our eyes to the smuggling into this country of millions upon millions of dollars of lottery tickets every year. If we are so concerned with saving money to the Government, why do we not look into the lottery question from its economic side and take action? There are from three to six million dollars a year flowing in lottery channels, foreign and domestic, and these lottery moneys are circulating outside the pale of our economic structure. The moneys will not go into business and trade channels. We cannot get it in. We can prohibit, but we cannot prevent our people from participating in lotteries. The postal laws are drastic; but our citizens go in for sweepstakes, chain letters, and are besides the victims of dishonest lotteries of varying kinds and descriptions. These moneys do not circulate within our

economic realm. Vast sums go abroad to foreign countries. Certainly they do not replenish the economic stream of our country. They do not aid our trade or commerce. It has been proven that our penal laws will not attract lottery moneys to our commercial and business life and away from uneconomic uses.

What, then, can he do about it? There is a way. We can tap this available supply of money. It is available to the Government. The only requirement is a legal outlet. The Congress should not delay in bringing the vast lottery treasure within the pale of our economic structure. It can do so by establishing a national lottery in the country to be operated by the Government. The receipts from such a source will bolster the Treasury, lessening the demand for taxes on the trade and business and the taxpayers of this country. It is high time that the Ways and Means Committee and the Members of this House consider and pass my bill for a national lottery. [Applause.] Nearly every foreign country has one. The lottery is sound economically. It has served well in crises in this country during the formation of the Republic. It will serve us now.

[Here the gavel fell.]

The Clerk concluded the reading of the bill.

Mr. DOUGHTON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LUDLOW, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 7930) to protect the revenue of the United States and provide measures for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs enforcement areas, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. DOUGHTON. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROPOSED AMENDMENT TO SECTION 2 OF THE CLAYTON ACT

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein copy of a bill which I am today introducing.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I wish to discuss the following bill, which I have introduced:

H. R. 8442

A bill to amend section 2 of the Clayton Act

Be it enacted, etc., That section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (U. S. C., title 15, sec. 13), is amended to read as follows:

"Sec. 2. (a) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price or terms of sale between different purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce and where such commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States: *Provided*, That nothing herein contained shall prevent differentials in prices as between purchasers depending solely upon whether they purchase for resale to wholesalers, to retailers, or to consumers, or for use for further manufacture; nor differentials which make only

due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered: *And provided further*, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in bona fide transactions and not in restraint of trade.

"(b) That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to pay or grant, or to receive or accept, anything of value as a commission, brokerage, or other compensation to an agent, representative, or other intermediary in connection with the sale or purchase of goods, wares, or merchandise where such intermediary is acting therein for or in behalf of or is subject to the direct or indirect control of any party to such purchase and sale transaction other than the person by whom such compensation is so granted or paid.

"(c) That it shall be unlawful for any person engaged in commerce, to pay or contract for the payment of anything of value to or for the benefit of a customer of such person in the course of such commerce, as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale, or offering for sale of any products or commodities manufactured, sold, or offered for sale by such person, unless:

"(1) Such payment or consideration is offered on proportionally equal terms to all other customers competing in the distribution of such products or commodities; or unless

"(2) The business, identity, or interests of such customer are in no way publicly associated, by name, reference, allusion, proximity, or otherwise, with or in the furnishing of such services or facilities, and the consideration paid therefor does not exceed the fair value of such services or facilities in the localities where furnished.

"(d) For purposes of suit under section 4 of this act the measure of damage from any violation of this section shall, in the absence of proof of greater damage, be presumed to be the unit amount of the prohibited discrimination, payment, or grant concerned, multiplied by:

"(1) The volume of business involved in such violation in case the plaintiff shall be in competition with the grantor therein in the distribution of the products or commodities concerned.

"(2) The volume of plaintiff's business in the respective products and commodities, and for the period of time concerned in such violation, in case the plaintiff shall be in competition with the grantee therein, or, in cases under paragraph (b) of this section, in competition with the intermediary or with the person for or under whose control such intermediary shall act therein."

THE PURPOSE

This bill is designed to accomplish what so far the Clayton Act has only weakly attempted, namely, to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys, from exploitation by his chain competitor.

THE EVIL

In the field of merchandise distribution a Goliath stands against divided forces plying a powerful weapon with a skillful hand against the vulnerable weaknesses of his opponents.

The Goliath is the huge chain stores sapping the civic life of local communities with an absentee overlordship, draining off their earnings to his coffers, and reducing their independent business men to employees or to idleness.

His weapon is huge buying power, by the manipulation of which he threatens manufacturers and others with financial stringency or even bankruptcy if they refuse him the prices and terms he demands.

His opponents are not only these manufacturers, not only the independent competitors whom he seeks to eliminate, but the consuming public, whom he hopes then to have at his mercy.

Their weaknesses, which he renders all the more vulnerable by playing off their strength against each other, are these:

First. The manufacturers' large overhead, which deepens their losses from business lost, and magnifies their gains on new business gained.

Second. The decentralization of independent competitors, and the obstacles which the law raises against them if they attempt organized resistance to those manufacturers who seek to make up from them the net profits which they lose on the chains.

Third. The disorganized individualism and hand-to-mouth buying habits of the purchasing public, who cannot realize nor foresee—nor indeed, resist if they could—the ultimate monopolistic motives concealed beneath the loss-leader prices and other trick merchandising tactics of the chains—prac-

tices which, because of their far-flung resources, they can concentrate with more deadly effect in one community at the cost of another.

THE PRINCIPLE

This bill seeks no more than to protect and better secure in the field of food and merchandise distribution, the simple birthright of every free American to equal opportunity; equal opportunity to devote his talents and resources to the service of the public in which he finds his being, and to have in exchange that reasonable return to himself which is commensurate with the service and quality value of his contribution to that public. This bill opposes no obstacles to legitimate and productive human endeavor in any path, nor to the utilization of more economical methods or processes wherever they may be devised by the wit of man, nor to the appropriate division of the fruits of those economies between those who make them possible and those whom they serve. It leaves every man free to make what price or terms he will, to use what services or facilities he will; but where he might otherwise do so in prejudice to the equal opportunity of his fellows, it requires him to treat all alike. It is founded on principles of human conduct as simple as the Golden Rule and as fundamental as that which forbids one to collect from a friend for services rendered to his enemy.

THE MEANS

The bill proposes to amend section 2 of the Clayton Act in four subparagraphs, directed respectively at the suppression of unfair quality price discriminations, at dummy brokerage allowances, at pseudo-advertising allowances, and finally to increase the facility of enforcement and rectify as between the parties concerned the evil consequences of violation.

Section 2 of the Clayton Act as it now stands raises a feeble gesture against price discrimination. That gesture is futile because it still permits quantity discounts without suggesting any measure or standard to limit their abuse; because, further, it permits price discriminations to meet local competition. For enforcement the act relies upon the cumbersome procedure of the Federal Trade Commission, upon civil suits for injunction to be brought by overloaded United States attorneys, and upon private suits for injunction and for the recovery of triple damages. The latter have seldom proved effective, first, because of the weakness of the prohibition in the act itself; second, because of the difficulty of obtaining evidence; and, third, because of the difficulty of proving specific damages to competitors, where damages are so obvious in fact but so indeterminate in amount.

EXPLANATION OF AMENDMENT

These difficulties the proposed amendment meets in this way:

Section (a) prohibits generally price discriminations between purchasers of goods of like grade and quality, but permits differentials between wholesalers, retailers, consumers, and those who purchase for further manufacture. It also permits differentials representing differences in cost resulting from the differing methods or quantities involved in the sales and deliveries to the particular purchasers involved in the discrimination. It thus throws upon the manufacturer or chain in case of controversy the burden of showing that a particular discrimination falls within one of these exceptions, a requirement that is obviously fair, since he knows best what his costs are, and who his customers are, and has at his peculiar command the cost and other record data by which to justify such discriminations if such justification exists.

In its effect this bill would, for example, permit independents to pool their purchases and thereby obtain the same prices as chain stores buying in like quantities and for delivery in like manner, a result which the courts have held the Clayton Act as it now exists does not secure. Even where this is not done the bill would prohibit differences in price in spite of differences in quantity, where such differences do not represent differences in cost. Many claim, for example, that deliveries in carload lots represent no appreciable differences in cost, whether the order is for one car-

load or 10 carloads. Whether this is true is a question of fact, but in either case this bill insures to the independent dealer who buys one carload, whether of groceries, dry goods, hardware, or any other commodity, the same price that is given to the chain buying 10 carloads of the same goods, unless that chain can show a concrete saving in cost resulting from its method of purchase and delivery as compared with its independent competitor.

WHEN BROKERAGE AND COMMISSION ALLOWED

Section (b) prohibits the payment of brokerage or commission in any sales transaction where the broker is acting in fact for or under the control, not of the one who would pay him the commission, but of the other party to the transaction. It is directed against the corruption of the true brokerage function as a real and valuable servant of commerce, into a subterfuge for those unfair and coercive price discriminations which constitute such a real menace to commerce. It does not prevent or hamper anyone in rendering real brokerage services; it does not forbid anyone to invest or continue his investment in a brokerage business; but it does forbid the abuse of this or other methods of control whereby the broker is converted into a servant of one party to the transaction at the cost of the other.

PSEUDO-ADVERTISING ALLOWANCES

Section (c) is aimed at the suppression of pseudo-advertising allowances, a favorite disguise for price discriminations which will not bear publicly being named as such. Again, it in no way impairs or obstructs legitimate advertising, or the selection and use of such means as are economical and effective for that purpose. Where it is advantageous in these respects to do so, it permits the manufacturer, for example, to employ or engage the services of his customers in their respective local communities, in lieu of sending out a force of his salaried representatives, to handle local advertising. It only imposes upon him two requirements, which are sufficient to remove the competitive wolf from this sheep's clothing. It requires the manufacturer either to make that allowance available on proportionally equal terms to all of his customers within the same competitive sphere, or to keep the services concerned divorced from any reference to the business of the particular customer whom the manufacturer selects for the purpose.

Thus if the manufacturer wishes to assume part or all of his customer's local advertising cost by furnishing him with window-display service, newspaper lineage, billboard posters, or if he wishes to pay him an allowance to have his clerks promote that manufacturer's products, he may do so, regardless of the amount of the allowance involved, so long as he makes it likewise available on proportionately equal terms to all other customers, independent as well as chain, within the same competitive sphere.

If, on the other hand, the manufacturer wishes merely to employ particular customers in selected communities to handle and supervise his local advertising plans rather than pay the traveling expenses and other costs of salaried representatives emanating from his home office, he is equally at liberty to do so, and to select the customers whom he considers most suited for that purpose, so long as he pays them only the fair value of their services and so long as such services do not refer in any way to the local business of the customer so selected. Thus the bill at the same time protects the freedom of legitimate advertising and prevents its corruption to the purposes of competitive coercion and discrimination.

PRESUMPTION OF DAMAGES

Section (b) is designed to aid enforcement by providing a presumptive measure of damages, thus avoiding the difficulty of proving specific damages that has afflicted this remedy under the Clayton Act heretofore. It makes the amount of the unlawful discrimination itself the measure of such damages as applied either to the volume of sales on which it is given or to the volume of the competitor's business in the same product, which is the business naturally injured thereby. It is only a presumptive rule, however, and when circumstances are such that greater damages can actually be proven the law would still permit their recovery.

TEXAS CENTENNIAL EXPOSITION

Mr. JOHNSON of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (S. J. Res. 131) providing for the participation of the United States in the Texas Centennial Exposition and celebrations to be held in the State of Texas during the years 1935 and 1936, and authorizing the President to invite foreign countries and nations to participate therein, and for other purposes, and immediately consider the same.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. TABER. Mr. Speaker, reserving the right to object, may I ask the gentleman to tell us how much money this is going to cost?

Mr. JOHNSON of Texas. What I desire to do is to substitute the House bill for the Senate bill; that is, strike out all after the enacting clause. The bill authorizes an appropriation of not to exceed \$3,000,000.

Mr. TABER. It seems to me that a bill of that size should go through the regular channels and come up for consideration on the Consent Calendar. If the gentleman presses his request, I shall have to object.

Mr. JOHNSON of Texas. I did not understand the gentleman.

Mr. TABER. I think a bill of that size should go on the Consent Calendar and come up at a time that those who are accustomed to examining and scrutinizing such bills are present and prepared to go into the matter. If the gentleman from Texas [Mr. JOHNSON] insists upon his request, I shall have to object.

Mr. JOHNSON of Texas. May I say in response to the gentleman's statement that this bill has the unanimous endorsement of the Foreign Affairs Committee and has already passed the Senate unanimously. I have talked with the leaders on the Republican side as well as the Democratic side. They are familiar with the terms of the bill. Of course, after passage of the bill the making of the appropriation will be up to the Appropriations Committee, of which the gentleman from New York [Mr. TABER] is a member, and that committee will have to determine the amount to be appropriated. This bill simply is an authorization, and I trust the gentleman will not insist upon his objection.

Mr. TABER. The consideration of bills on the Consent Calendar is only a few days off.

Mr. JOHNSON of Texas. May I say further that the State of Texas has by constitutional amendment appropriated \$3,000,000. The city of Dallas has raised \$6,000,000. They are donating also the use of the State fair grounds, which has an appraised value of \$4,000,000. This involves a total of over \$10,000,000 that Texas has contributed. This bill authorizes an appropriation for less than one-half of the amount appropriated for the St. Louis Exposition, which was in celebration of the Louisiana Purchase, where the area acquired was much less than that acquired by the annexation of Texas and the Mexican cession occasioned by the annexation of Texas. That was also a barter and sale proposition whereas the annexation of territory of Texas was by a patriotic war in which we won the independence of Texas.

Mr. TABER. Mr. Speaker, I shall have to object.

ORDER OF BUSINESS—THE PRIVATE CALENDAR

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent that on Thursday next it shall be in order to consider individual bills on the Private Calendar under the rule.

Mr. MICHENER. Mr. Speaker, reserving the right to object, what is to be the program for the rest of the week?

Mr. O'CONNOR. I may say, Mr. Speaker, we hope that we may be able to take up the A. A. A. amendments on Thursday and Friday.

Mr. MICHENER. Have the A. A. A. amendments been reported out by the committee?

Mr. O'CONNOR. I understand not. We also have a number of rules which we may take up.

Mr. MICHENER. Can the gentleman give us any idea what those rules will be or what subjects they will cover this week?

Mr. O'CONNOR. We have pending some rules—

Mr. MICHENER. Dealing with what?

Mr. O'CONNOR. We hope to bring out tomorrow a rule dealing with the continuance of the Central Statistical Board and a rule for the consideration of the bill authorizing the Parker Dam project.

Mr. MICHENER. That is one of the projects where work was done without authorization.

Mr. O'CONNOR. I think some court held it was not authorized.

Mr. MICHENER. The court was undoubtedly in error, according to the gentleman's view. [Laughter.]

The SPEAKER. The gentleman from New York asks unanimous consent that it shall be in order on Thursday next to consider individual bills on the Private Calendar. Is there objection?

Mr. TRUAX. Reserving the right to object, Mr. Speaker, will an omnibus bill be considered at that time?

Mr. O'CONNOR. No.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERSONS DISABLED IN ARMY, NAVY, MARINE CORPS, OR COAST GUARD

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs be discharged from the further consideration of the bill (H. R. 8317) providing relief for persons disabled in the Army, Navy, Marine Corps, and Coast Guard, and that the bill be referred to the Committee on Pensions.

This bill is a pension bill and therefore should go to the Committee on Pensions.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SCOTT. Mr. Speaker, on Sunday morning an article appeared in the Washington Herald that has given me some concern. I do not know whether anybody else paid particular attention to it or not.

I want to call attention first to the fact that the article appeared in a paper owned by Mr. Hearst, who has been conducting a rather villifying campaign against a nation with which we are supposed to be on friendly relations. We have recognized their existence and established friendly relations with them. This particular tirade of which I speak has continued for some time and, like a lot of other things, coasted along without much attention. Now all of a sudden something breaks that brings the whole matter to a head.

This particular article was written by an admiral of the Navy, Rear Admiral Yates Stirling, Jr., who is in command of the Brooklyn Navy Yard. In this article he charges that Russia is in process of fomenting a war against the rest of the world and at the same time he accuses Russia of withdrawing several hundred thousands of acres of fertile and populous land from economic intercourse with the rest of the world. He then refers to Germany as the bulwark against the rapid spread of communism.

It is interesting to note that on December 6, 1933, this same admiral appeared at Madison Square Garden with the Ambassador from Germany and proceeded to make a rather rousing speech calling upon all Germans to restate that German nationalism.

Then this article in the paper finishes with this particular paragraph:

In the guise of such a great crusade led by Germany against the nation of Russia, maybe yet inarticulate in men's thoughts, cannot one see the outlines of a daring plan, not only forever laying the ghost of bolshevism, but for opening up the fertile land of Russia to a crowded and industrially hungry Europe?

He calls upon the capitalistic nation of the United States to unite behind Germany in a war against the U. S. S. R.

The State Department has already issued an announcement that these were the remarks of an admiral and did not state the policy of the State Department in foreign relations. I think that probably there is a little more behind his article than appears on the face of it. So I have introduced a resolution today directing the Naval Affairs Committee to conduct an investigation of the remarks of the admiral, with a view to some kind of disciplinary action being taken.

Under permission granted by the House, I am adding the resolution referred to.

Whereas in the Washington Herald of Sunday, June 9, 1935, there appeared an article by Rear Admiral Yates Stirling, Jr., commandant Brooklyn Navy Yard, formerly commander United States naval base, Pearl Harbor, Hawaii, in which he states the necessity of a "crusade" for "opening up the fertile lands of Russia to a crowded and industrially hungry Europe", further making unfriendly, unfair, and uncalled-for statements about a friendly power; and

Whereas the article in its entirety is an advocacy of a declaration of war by the capitalistic countries of the world, of which the United States is one, against Russia; further statements in effect tending to confuse the minds of the people by leading them to believe that the Navy is taking over the State Department and the determination of foreign policy; and

Whereas in addition to grave danger to peace, the written statements of the said Rear Admiral Yates Stirling, Jr., as well as others heretofore printed, are in violation of the rules of discipline of the United States Navy: Now, therefore, be it

Resolved, That the Naval Affairs Committee be directed to investigate the statements, facts, and implications thereto from a standpoint of discipline; that they find out what sum or sums have been paid, if any, to the said Rear Admiral Yates Stirling, Jr., by any foreign provocative agent, munitions group, Fascists, or other military, naval, or shipbuilding combinations, and a full investigation of his acts, statements, writings, be made in an attempt to find whether he has rendered any preferential treatment or given any plans to those nations with whom he is on friendly terms; and be it further

Resolved, That the Naval Affairs Committee, by resolution or statement, announce whether it assumes, through the Navy and its admirals, jurisdiction over foreign relations; be it further

Resolved, That if after investigation it is the finding of the committee that Admiral Stirling has acted in an improper manner and/or in violation of any rule or regulation of the Department it be the recommendation of the committee that Admiral Stirling be dismissed from the service.

LEAVE OF ABSENCE

Mr. BELL. Mr. Speaker, I ask unanimous consent to have the RECORD show that my colleague the gentleman from Missouri [Mr. SHANNON] is excused from attendance on the sessions of the House for an indefinite period on account of illness. He is still ill at home, as he has been for some time.

The SPEAKER. Without objection, the request will be granted.

There was no objection.

Mr. DALY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by Governor Earle of Pennsylvania.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MARTIN of Massachusetts. I object.

ADJOURNMENT

Mr. DOUGHTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 27 minutes p. m.) the House adjourned until tomorrow, Wednesday, June 12, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

382. Under clause 2 of rule XXIV a letter from the Secretary of War, transmitting, pursuant to section 10 of the Flood Control Act approved May 15, 1928, a letter from the Chief of Engineers, United States Army, dated June 6, 1935, submitting a report, together with accompanying papers and illustrations, on a survey of Minnesota River, Minn., for the purposes of navigation and efficient development of its water

power, the control of floods, and the needs of irrigation, was taken from the Speaker's table and referred to the Committee on Flood Control and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HOEPEL: Committee on War Claims. S. 1932. An act for the relief of the State of California; with amendment (Rept. No. 1162). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 5730. A bill to amend section 3 (b) of an act entitled "An act to establish the composition of the United States Navy with respect to the categories of vessels limited by the treaties signed at Washington February 6, 1922, and at London April 22, 1930, at the limits prescribed by those treaties; to authorize the construction of certain naval vessels; and for other purposes", approved March 27, 1934; with amendment (Rept. No. 1163). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. EDMISTON: Committee on Military Affairs. H. R. 5075. A bill providing for the appointment of Harry T. Herring, formerly a lieutenant colonel in the United States Army, as a lieutenant colonel in the United States Army and his retirement in that grade; without amendment (Rept. No. 1164). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PATMAN: A bill (H. R. 8442) making it unlawful for any person engaged in commerce to discriminate in price or terms of sale between purchasers of commodities of like grade and quality, to prohibit the payment of brokerage or commission under certain conditions, to suppress pseudo-advertising allowances, to provide a presumptive measure of damages in certain cases, and to protect the independent merchant, the public whom he serves, and the manufacturer from whom he buys from exploitation by unfair competitors; to the Committee on the Judiciary.

By Mr. HILL of Alabama: A bill (H. R. 8443) authorizing an appropriation to the American Legion for use in connection with Pershing Hall, a memorial already erected in Paris, France, to the commander in chief, officers, men, and auxiliary services of the American Expeditionary Forces; to the Committee on Military Affairs.

Also, a bill (H. R. 8444) to authorize the transfer of a certain military reservation to the Department of the Interior; to the Committee on Military Affairs.

By Mr. STARNES: A bill (H. R. 8445) to further reduce immigration under the quotas, to further increase grounds upon which deportation may be effected, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. WILCOX: A bill (H. R. 8446) providing for an appropriation for the eradication of the West Indian fruit fly and black fly; to the Committee on Appropriations.

By Mr. SCOTT: Resolution (H. Res. 244) for the investigation of certain matters relating to Russia; to the Committee on Rules.

Also, resolution (H. Res. 245) for the investigation of certain matters relating to the Union of Socialist Soviet Republics; to the Committee on Rules.

By Mr. HOFFMAN: Resolution (H. Res. 246) to protect the public; to the Committee on the District of Columbia.

By Mr. MARCANTONIO: Resolution (H. Res. 247) directing the Secretary of the Navy to transmit to the House of Representatives information concerning activities of Rear Admiral Yates Stirling, Jr., of the United States Navy; to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK: A bill (H. R. 8447) for the relief of Leonard Gramstad; to the Committee on World War Veterans' Legislation.

By Mr. COLLINS: A bill (H. R. 8448) for the relief of Roy Masters Worley; to the Committee on Military Affairs.

By Mr. MASSINGALE: A bill (H. R. 8449) to authorize the appointment of John Easter Harris as major, Corps of Engineers, Regular Army; to the Committee on Military Affairs.

By Mr. MORAN: A bill (H. R. 8450) granting a pension to Mary Jane Blackman; to the Committee on Invalid Pensions.

By Mr. SMITH of Virginia: A bill (H. R. 8451) for the relief of Patrick O'Brien; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8798. By Mr. BOYLAN: Resolution unanimously adopted by the Navy Post, No. 16, of the American Legion, New York City, providing that the team representing the United States at the Olympic Games in Germany in 1936 should travel to and from those games in ships of the United States registry, manned by American officers and crews, etc.; to the Committee on Naval Affairs.

8799. Also, resolution adopted by Utilities Employees Securities Co., and board of directors, representing 10,632 employees, protesting against the passage of the bills known as the "Public Utility Holding Company Act"; to the Committee on Interstate and Foreign Commerce.

8800. By Mr. BRUNNER: Resolution of the Holy Name Society of the diocese of Brooklyn, N. Y., regarding the conditions in Mexico; to the Committee on Foreign Affairs.

8801. By Mr. FORD of California: Resolution adopted by the Council of the City of Los Angeles, disapproving of section 11 of House bill 6511, in that it does not provide for competitive off-route passenger and express service; to the Committee on Interstate and Foreign Commerce.

8802. Also, resolution of the Senate and Assembly of the State of California, memorializing the President and Congress to consider and enact such legislation and to propose such amendment or amendments to the Constitution of the United States as may be found suitable to prevent further exemption from taxation of any and all bonds and other evidences of indebtedness issued by the Federal, State, and local governments; to the Committee on Ways and Means.

8803. By Mr. PFEIFER: Petition of the Medical Society of the State of New York, New York City, concerning the Banking Act of 1935; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, JUNE 12, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed a bill (H. R. 7980) to protect the revenue of the United States and provide measures for the more effective enforcement of the laws respecting the revenue, to prevent smuggling, to authorize customs-enforcement areas, and for other purposes, in which it requested the concurrence of the Senate.

By unanimous consent, the following routine business was transacted:

PETITIONS AND MEMORIALS

Mr. TYDINGS presented five joint resolutions of the Legislature of the Territory of Hawaii, which were referred